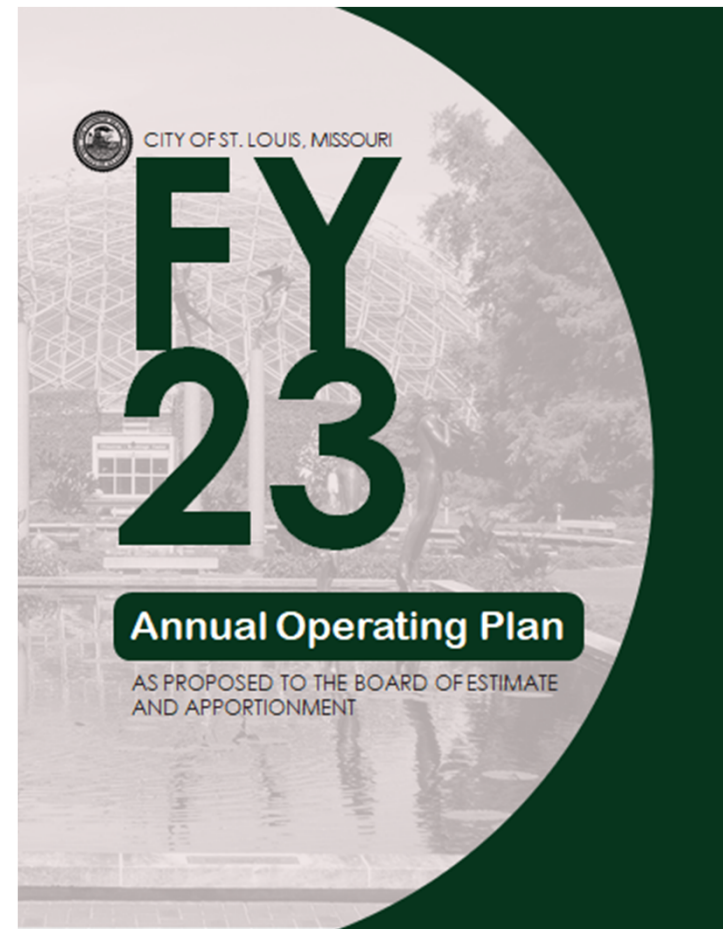


CITY OF ST. LOUIS
**PROPOSED FY2023
ANNUAL OPERATING PLAN**

As Presented to the Board of
Estimate and Apportionment

April 20, 2022



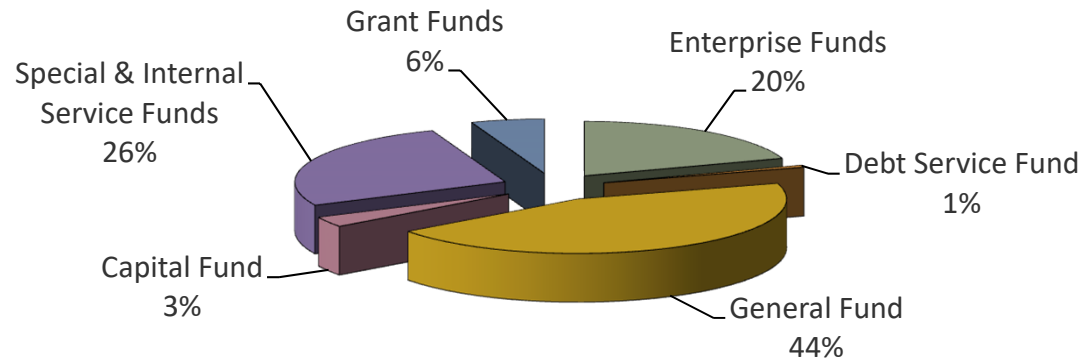
CITY OF ST. LOUIS

FY2023 Proposed Annual Operating Plan

The Annual Operating Plan for FY2023 totals \$1.2B, an increase of 5.2% over the previous fiscal year.

(in Mil. \$)	<u>FY22</u>	<u>FY23</u>	<u>% CHG</u>
General Fund	\$511.5	\$539.9	5.6%
Special Revenue	191.3	219.8	14.9%
Grant Funds	67.2	68.5	1.9%
Debt Service Fund	8.2	7.1	-13.4%
Capital Improvement Funds	30.1	37.4	24.3%
Enterprise Funds	248.4	240.1	-3.3%
Internal Service Funds	96.9	101.1	4.3%
	<u>\$1,153.6</u>	<u>\$1,213.9</u>	<u>5.2%</u>

FY2023 Budget - All Funds

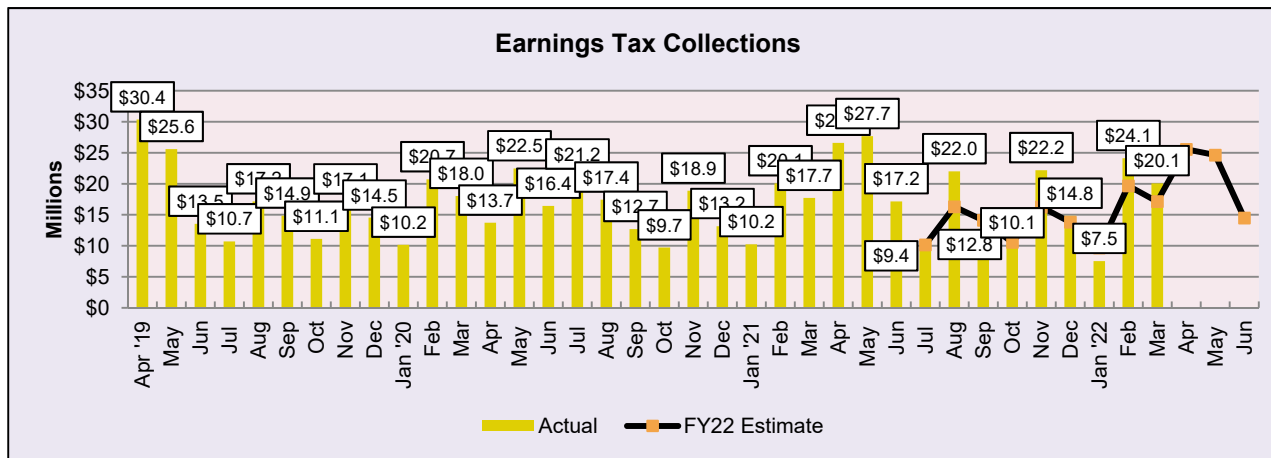


Total Appropriation = \$1,213.9M

CITY OF ST. LOUIS

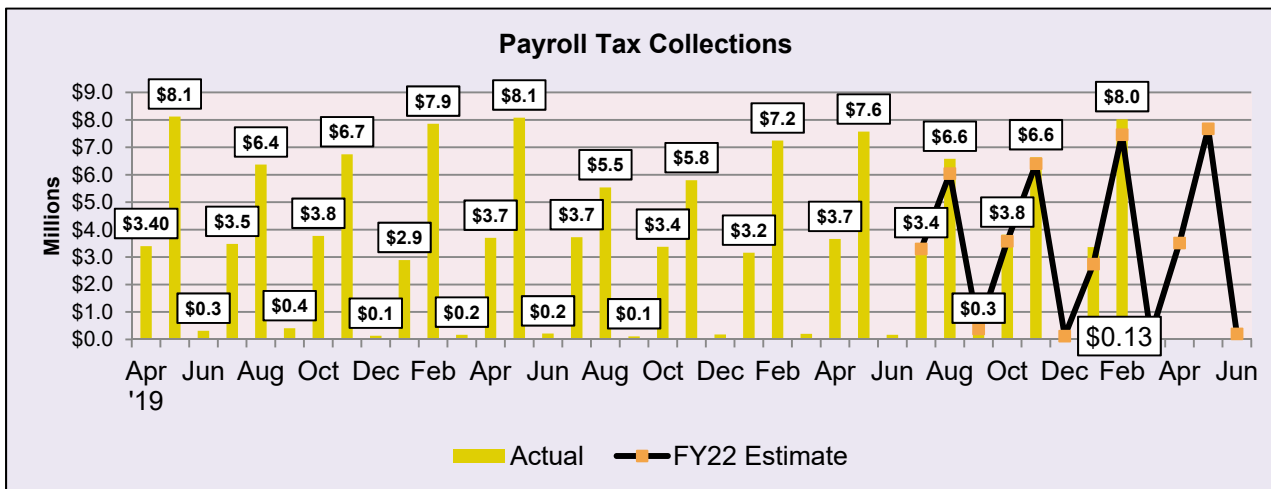
FY2022 Proposed Annual Operating Plan

FY22 Revenue Update: Major tax revenues on track to exceed budget estimates, approaching pre-pandemic levels if only on nominal terms (e.g. not accounting for inflation). Hotel and restaurant taxes up but still yet to fully recover.



Period	Estimated	Actual
4Q FY20		-24.3%
1Q		20.1%
2Q		-2.4%
3Q		-1.8%
4Q		35.7%
FY21 FYE	-1.8%	13.6%
1Q	-20.9%	-14.0%
2Q	-2.7%	12.7%
3Q	-3.3%	7.8%
FY22 FYTD	-9.5%	1.3%

FY22 FYTD v FY20	6.4%
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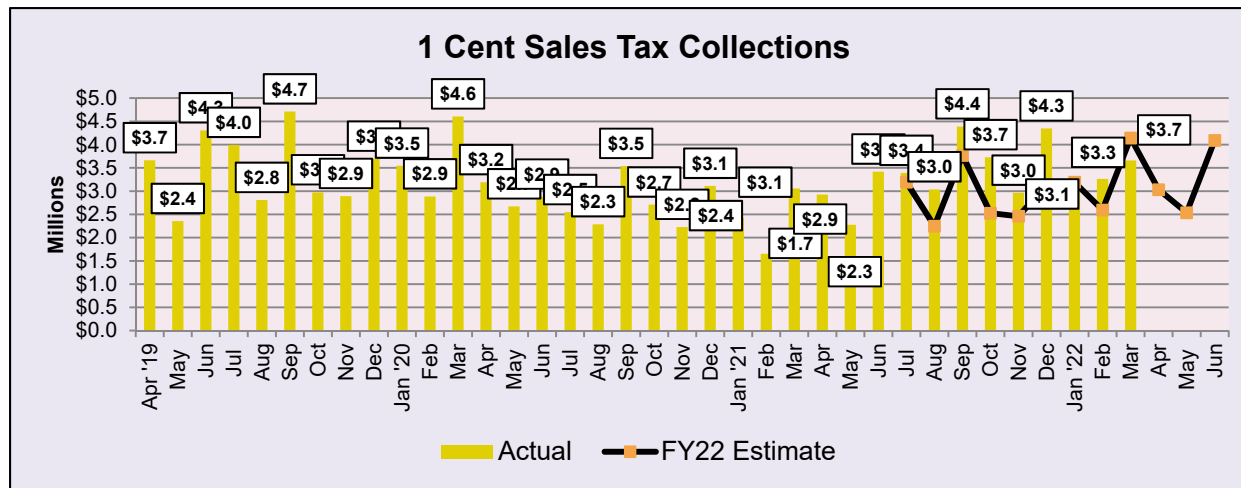
Period	Estimated	Actual
4Q FY20		1.4%
1Q		-8.6%
2Q		-12.2%
3Q		-2.9%
4Q		-5.0%
FY21 FYE	-14.8%	-7.1%
1Q	3.9%	10.2%
2Q	8.2%	12.6%
3Q	-2.2%	10.2%
FY22 FYTD	3.1%	11.0%

FY22 FYTD v FY20	2.3%
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CITY OF ST. LOUIS

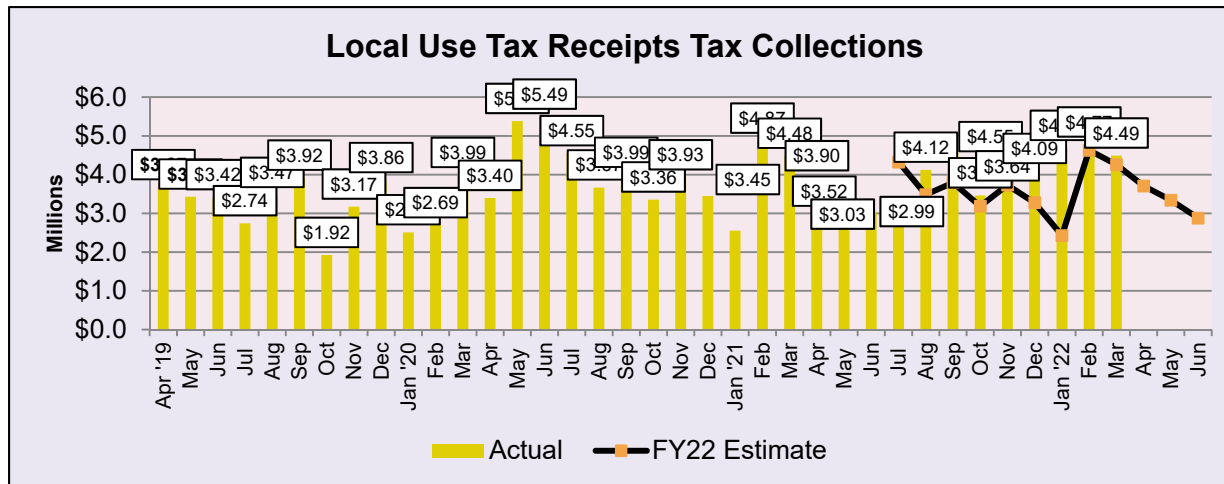
FY2023 Proposed Annual Operating Plan

FY22 Revenue Update: (Continued)



Period	Estimated	Actual
4Q FY20		-15.3%
1Q		-27.3%
2Q		-15.8%
3Q		-35.3%
4Q		-1.4%
FY21 FYE	-20.5%	-21.2%
1Q	10.0%	29.2%
2Q	1.0%	37.1%
3Q	39.2%	40.9%
FY22 FYTD	15.7%	35.5%

FY22 FYTD v FY20	-0.6%
------------------	-------



Period	Estimated	Actual
4Q FY20		35.7%
1Q		20.5%
2Q		19.9%
3Q		29.6%
4Q		-26.8%
FY21 FYE	-5.0%	6.5%
1Q	-5.0%	-4.5%
2Q	-5.0%	4.3%
3Q	-5.0%	17.1%
FY22 FYTD	-5.0%	5.6%

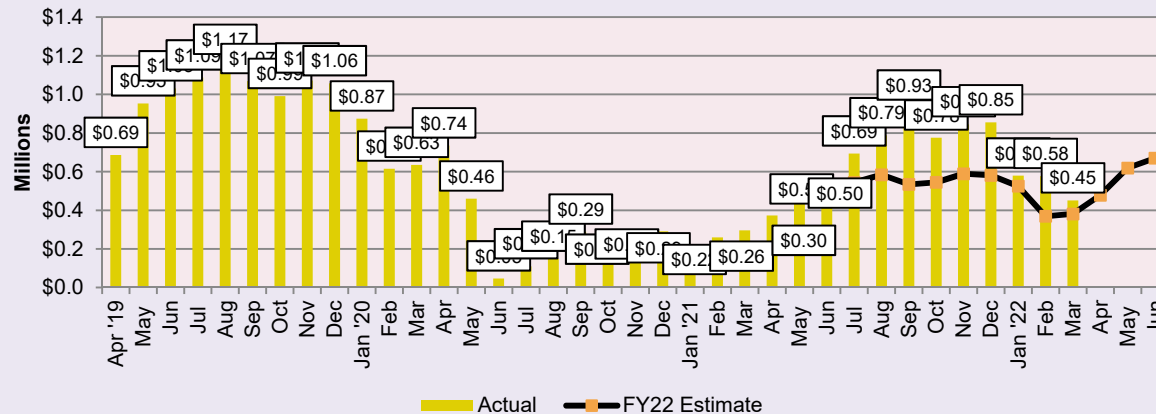
FY22 FYTD v FY20	30.2%
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CITY OF ST. LOUIS

FY2023 Proposed Annual Operating Plan

FY22 Revenue Update: (Continued)

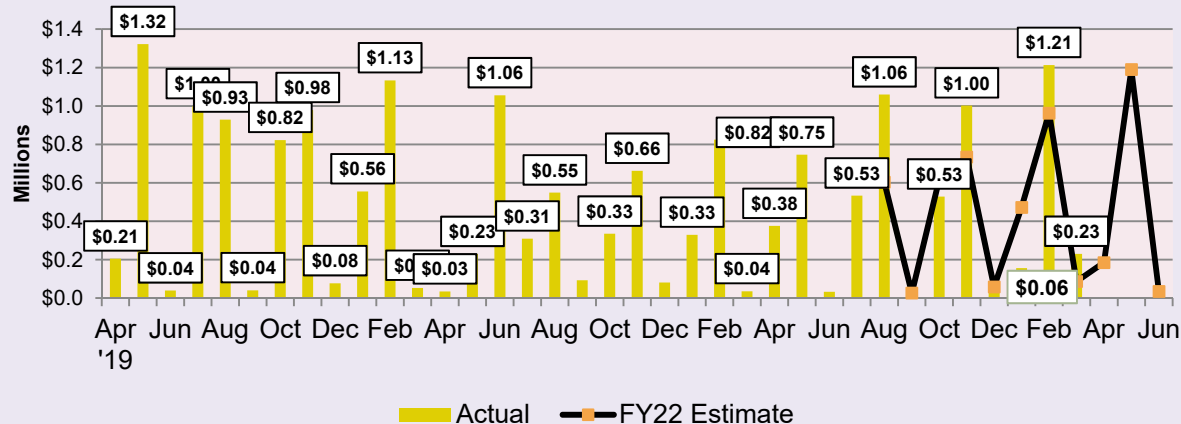
3.5% Hotel Gross Receipts Tax Collections



Period	Estimated	Actual
4Q FY20		-53.5%
1Q		-83.5%
2Q		-71.8%
3Q		-63.5%
4Q		12.5%
FY21 FYE	-47.4%	-63.3%
1Q	203.7%	340.9%
2Q	95.2%	181.7%
3Q	64.4%	107.3%
FY22 FYTD	111.3%	195.1%

FY22 FYTD v FY20	-24.2%
------------------	--------

1.0% Restaurant Gross Receipts Tax Collections



Period	Estimated	Actual
4Q FY20		-15.9%
1Q		-51.6%
2Q		-42.6%
3Q		-31.7%
4Q		-12.4%
FY21 FYE	-43.1%	-36.7%
1Q	34.4%	71.5%
2Q	30.8%	49.0%
3Q	27.9%	34.4%
FY22 FYTD	30.8%	50.3%

FY22 FYTD v FY20	-13.4%
------------------	--------

FY2023 Proposed Annual Operating Plan**FY22 Revenue Update:** (continued)**GENERAL AND MAJOR SPECIAL FUND OUTLOOK**

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Orig Est.	FY22 3rdQ Rev	FY22 Over / Under	FY23 Estimate
General Fund	529,569,935	508,111,849	507,598,173	511,483,000	531,966,550	20,483,550	539,980,420
Local Use Tax	36,710,242	38,110,755	40,576,304	39,430,000	43,800,000	4,370,000	44,457,000
Gaming Fund	7,595,916	5,545,490	5,922,283	6,050,000	6,125,000	75,000	6,250,000
1/8 Cent Local Parks Sales Tax	4,906,652	4,773,335	3,803,515	4,314,000	4,921,000	607,000	4,995,000
1/2 Cent Public Safety Sales Tax I	19,688,363	19,131,045	15,229,306	17,408,000	20,080,000	2,672,000	20,382,000
1/2 Cent Econ. Dev Sales Tax	20,896,412	20,460,409	15,952,668	18,465,000	21,063,000	2,598,000	21,379,000
1/2 Cent Public Safety Sales Tax II	20,674,879	20,376,729	15,931,943	18,465,000	21,063,000	2,598,000	21,379,000
Local Use Tax (Prop P portion)	4,279,309	4,466,737	4,736,686	4,600,000	5,107,000	507,000	5,184,000
1/10 Cent Metro Parks (City Share)	1,919,094	1,859,869	1,398,428	1,602,000	1,957,000	355,000	1,856,000
3/16 Cent Metro Parks (City Share)	2,880,511	2,796,248	2,164,048	2,402,000	2,903,000	501,000	2,784,000
1/2 Cent Capital Sales Tax	19,780,273	19,258,069	15,296,108	17,408,000	20,080,000	2,672,000	20,381,500
	\$668,901,585	\$644,890,535	\$628,609,462	\$641,627,000	\$679,065,550	\$37,438,550	\$689,027,920

CITY OF ST. LOUIS

FY2023 Proposed Annual Operating Plan

With revenues recovering, proposed budget includes increases for employee pay and some new initiatives; special funds to supplement general fund programs; does not rely on ARPA funds

GENERAL FUND

Beginning Revenue Base - FY22 Estimate (\$ mil.)	511.5	
FY22 Adjustments - tracking thru 3rdQ (excluding ARPA)	20.5	
Other one-time revenues (e.g. Refuse, Juvenile, towing)	(5.8)	
FY23 Revenue growth - 1.5% (net 2.6%)	13.7	
Preliminary Revenue - FY23		\$539.9
Beginning Budget Base - FY22 Budget		511.5
<u>FY23 Increases (Decreases)</u>		
General Government / Finance		
BOA - incl Ward reduction / addition of 17 position late FY23 / net salary	0.8	
Mayor's Office - personal svc & contractual	0.2	
Dept. of Personnel - \$400k inc. for promotional testing	0.4	
CREA - 2 additional HR specialists	0.1	
ITSA - IT support contractual support / 4 new positions	2.8	
City Counselor - net request add 6 positions	0.3	
PDA - net add 3 positions / offset by \$150k FY22 item	0.1	
Comptroller - contractual telecom \$125K / Insurance \$600k / other	0.9	
Municipal Garage / Microfilm - misc.	0.1	
Supply Commissioner - 1 new position	0.1	
		5.8
City Wide Accounts		
Convention Center Asset Preservation - cpi adjustment	0.1	
Auditing costs	0.1	
Enterprise Center - scheduled increase	0.1	
Worker's Comp	(0.1)	
Carnahan Courthouse debt service - net capital fund portion	0.2	
		0.5

CITY OF ST. LOUIS

FY2023 Proposed Annual Operating Plan

Other changes by Department (cont.)

Non Department Specific Increases - Across All Depts.

City Wide Account - Employee Pay and Benefit Adjustments - TBD	5.2	
Across -the Board Salary Adj - placeholder (\$8.7M total w/ Police/Fire)	4.1	
Employee Retirement - 15.44% vs. 15.42% (flat before new positions)	0.0	
Health Insurance Increase - premium up 4.2%	0.5	
		9.8

Parks, Recreation & Forestry

Director PRF - 1 Exec Asst I (added in FY22) / 1/2 PIO	0.1	
Recreation Div. - 4 FT lifeguards + 1 new custodial pos	0.2	
Forestry Div. - \$950K increase for LRA property maint.	1.0	
Parks Division - 4 new gardener positions / \$250k inc. for mowing contra	0.4	
Soulard Mkt. - per perf & misc inc. - \$26k / Tower Grove - \$25k inc	0.1	
		1.8

Judicial Offices

Circuit Court - 1 new pos / jury costs inc \$325k / elect monitoring \$120k ir	1.2	
Circuit Atty. - 5 addl investigator positions / net increase in sal savings	0.2	
Sheriff - contractual service increases & misc	0.2	
City Courts - REJIS & Show me Courts costs	0.2	
Juvenile Det. - net dwn 3 pos offset w/ lower sal svgs / increase in contrac	0.9	
Circuit Drug Court - \$50k increase	0.1	
		2.7

County Offices

Recorder - down 1 pos / net increase in contractual	0.1	
Election Board - down 2 pos. / increase in election year costs	0.5	
Medical Examiner - supplies & contractual increases	0.2	
Treasurer - misc. \$20k	0.0	
		0.8

CITY OF ST. LOUIS

FY2023 Proposed Annual Operating Plan

Other changes by Department (cont.)

Streets

Director Streets - add 1/2 PIO position & misc.	0.1	
Traffic Div. - increases incl. \$245k supplies / \$250k traffic study / misc.	0.8	
Towing Div. - Comm position funded / tablets / mail costs / REJIS	0.3	
Street Division - add 1 HEO I/ +\$150k in patching supplies	0.3	
Refuse Division - \$1.9 increase in disposal contract / \$74k equip & misc.	2.3	
		3.7

Public Safety**Police & Police Pension**

Police - salary adjustments, matrix steps attrition, health ins, etc.	1.4	
Non-personnel items - supplies, equipment, contractual	3.2	
Police Pension (incl. impact from experience study & revised assumption)	4.5	
Offsetting Increases In Special Funds		
Use Tax Fund	(2.0)	
PS Sales tax Fund 1120	(0.5)	
PS Sales tax Fund 1123	(5.7)	
Prop P Fund 1125	(4.2)	
		(3.2)

Fire Dept. & Fire Pension

Fire - salary adjustments, matrix steps attrition, health ins, & OT	3.2	
Supplies & Contractual	0.2	
Fire Pension	(1.6)	
Offsetting Increases In Special Funds		
PS Sales tax Fund 1123	(1.2)	
Prop P Fund 1125	(1.7)	
Misc Spec Fund 1116 GEMT	(1.8)	
		(2.9)

FY2023 Proposed Annual Operating Plan

Other changes by Department (cont.)

Other Public Safety

Dir. of Public Safety - 7 new postions (incl 3 Client Srvc Coord / Safety O	0.6	
Building Commissioner -2 pos (e.g. zoning spec, plmb insp) & misc.	0.4	
Neigh Stabilization - 2 new customer service pos.	0.2	
CEMA - 1 new position Grants Mgr.	0.2	
Corrections - 9 pos. / inmate medical inc from elimination of Fed reimb.	5.9	
Corrections - net add 2 pos (e.g. Safety Officer) / oth supplies & contractu	0.9	
Civilian Oversight Board - 9 new positions / equip & contractual	0.6	
		8.8

Health Director

Supportive Reentry - salary savings	(0.1)	
		(0.1)

Human Services

Misc. personal service increases / PIO position	0.1	
		0.1

Board of Public Service

President's Office - net 2 add positions / net charges to project funds	(0.4)	
Facilities Mgmt. Div - net 1 position (plumber) / cotractual repairs/utilities	1.0	
		0.6

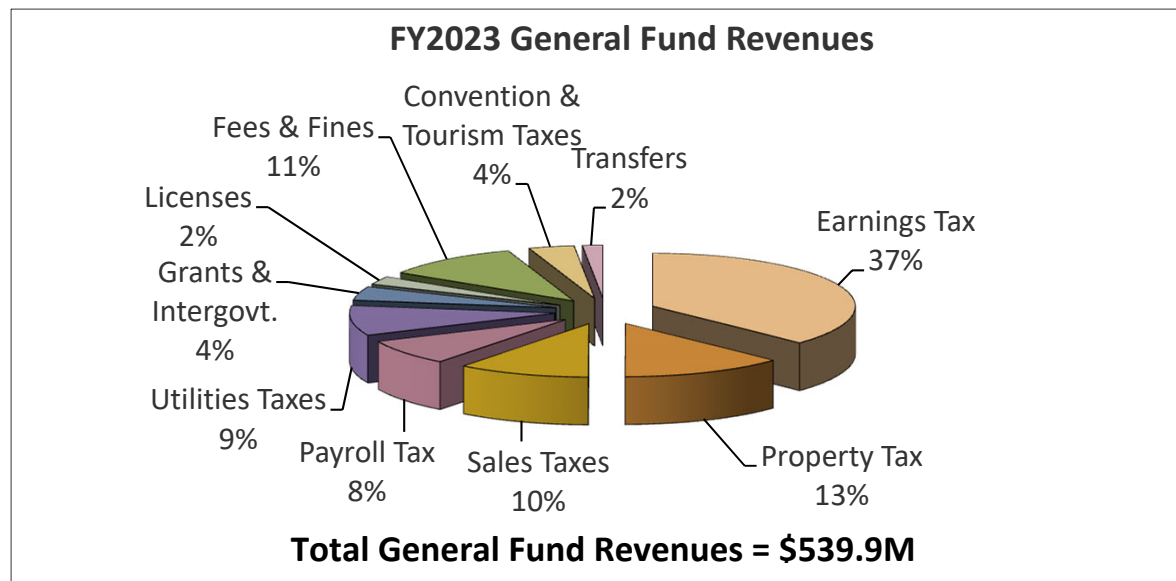
Net Total Increases (Decreases)**28.4****FY23 Proposed General Fund Budget****539.9****Balance****\$0.0**

CITY OF ST. LOUIS

FY2023 Proposed Annual Operating Plan

General Fund Revenue Outlook:

(Rounded in Mil. \$)	Actual FY19	Actual FY20	Actual FY21	Revised FY22	Estimated FY23	% Chg. FY23 v. FY22
Earnings Tax	\$184.4	\$175.8	\$196.6	\$196.3	\$200.7	2.3%
Property Tax	62.1	64.1	66.8	68.1	69.5	2.0%
Sales Tax	54.5	53.0	42.2	55.2	56.0	1.5%
Payroll Tax	39.6	42.4	38.7	41.2	42.0	2.0%
Franchise (Utility) Taxes	51.8	47.4	44.2	47.4	49.1	3.6%
Intergovernmental	30.6	27.2	23.1	25.2	22.7	-10.1%
Licenses	13.8	13.7	11.9	13.3	13.5	1.1%
Departmental Fees and Fines	59.3	54.3	61.4	61.9	58.5	-5.4%
Other	33.5	30.2	22.7	23.4	28.0	19.7%
	\$529.6	\$508.1	\$507.6	\$532.0	\$540.0	1.5%



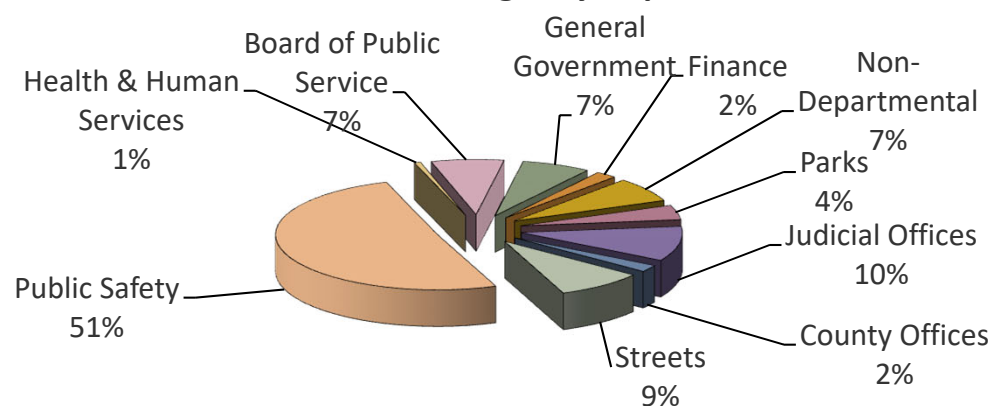
CITY OF ST. LOUIS

FY2023 Proposed Annual Operating Plan

General Fund Expenditure Outlook:

(Rounded in Mil. \$)	Actual FY19	Actual FY20	Actual FY21	Budget FY22	Budget FY23	% CHG.
General Government	26.2	\$27.1	\$30.2	\$32.0	\$37.2	16.2%
Finance	8.2	9.1	9.1	10.2	11.3	10.8%
Non-Departmental	42.3	39.6	25.7	33.1	38.8	7.2%
Parks, Recreation & Forestry	18.9	19.9	18.1	20.9	23.0	10.0%
Judicial Offices	43.2	44.6	41.5	50.9	55.0	8.0%
County Offices	9.0	8.1	10.2	9.8	10.8	10.2%
Streets	38.5	38.6	38.3	42.6	47.1	10.6%
Public Safety	281.3	280.5	262.1	270.4	274.0	1.3%
Health & Human Services	1.4	1.4	2.1	3.4	3.4	0.0%
Board of Public Service	34.2	34.8	32.7	38.2	39.2	2.6%
	\$503.3	\$503.7	\$470.0	\$511.5	\$539.9	5.6%

FY2023 General Fund Budget by Department



Total General Fund Budget = \$539.9M

CITY OF ST. LOUIS

FY2023 Proposed Annual Operating Plan

Proposed Changes in Major Special Funds Include:

Local Use Tax Fund

FY22 FYTD (10 mos) Up 7.8%
 FY22 Revised Estimate @ \$43.8M
 FY23 Estimate @ \$44.5M
 (plus \$5.1M balance)

Allocations (in mil\$)

Affordable Housing	\$6.5
Health Care Trust Fund	\$5.0
Building Demolition	\$3.0
Excess Use Tax Fund	\$35.1
City Couns. - affirm. Litig unit	\$0.5
Refuse Div. - bulky pick-up	\$0.8
Bldg. Div. - Hous Conservation	\$2.6
Police Dept. (up \$2.0m)	\$17.8
Health Dept (up \$2.2m) new Behavioral Hlth Unit	\$11.8
Human Services	\$1.6
Total	\$49.6

Economic Dev. Sales Tax Fund

FY22 FYTD (10 mos) Up 35%
 FY22 Revised Estimate @ \$21.4M
 FY23 Estimate @ \$21.4M
 (plus \$6.6M balances)

Allocations (in mil\$)

60.0% Transit (bal est. @ end of FY22 @ \$52.7M)	\$12.7
10.0% Neigh. Stab. (incl. \$3.6M bal)	\$5.7
PDA -Incl. \$630k for SLDC Neigh Mgrs.	3.1
CDA -\$1M Bldg Stab / \$500k vac bldgs	2.6
10.0% Workforce Dev. (incl. \$1.7M bal)	\$3.9
SLATE (incl. \$1M for office in north City)	3.0
Dir. Human Svcs.	0.9
10.0% Public Safety Infra. (incl. \$1.3M bal.)	\$3.4
Comptroller - 911 increment	0.4
CEMA - mass notification system	0.1
BPS - \$350k CEMA sirens / \$2.6M PSAP	2.9
10.0% City Infrastructure (Capital Fund)	\$2.1
100.0% Total	\$27.9

FY2023 Proposed Annual Operating Plan

Proposed Changes in Special Funds Include:

1/2 Cent Public Safety Sales and Use Tax "Prop P"

	Allocations (in mil\$)	
Sales Tax Est. @ \$21.4M (plus \$2.35M balances)	66.0% Police Department - \$14.1M (+\$1.5M bal)	\$15.6
	28.0% Fire Department - \$6.0M (+\$850k bal)	\$6.8
	6.0% Circuit Attorney	\$1.3
	100.0%	\$23.7
Use Tax Revenue Est. @ \$5.2M (plus \$2.4M balances)	25.0% Afterschool Programs & Summer Jobs	\$1.2
	Dir. Public Safety - summer jobs	0.5
	Police cadet program	0.7
	7.7% Circuit Attorney (incl. \$1.2M bal.)	\$1.6
	Incl. public integrity unit & witness protection	
	25.0% Recreation Programs (incl. \$450k bal)	\$1.7
	Incl. \$224k inc. in per perf Rec Assts.	
	17.3% Building Demolition (incl. \$100k bal.)	\$1.0
	25.0% Social Work & Mental Health (incl. \$657K bal.)	\$2.0
	100.0% Total	\$7.5

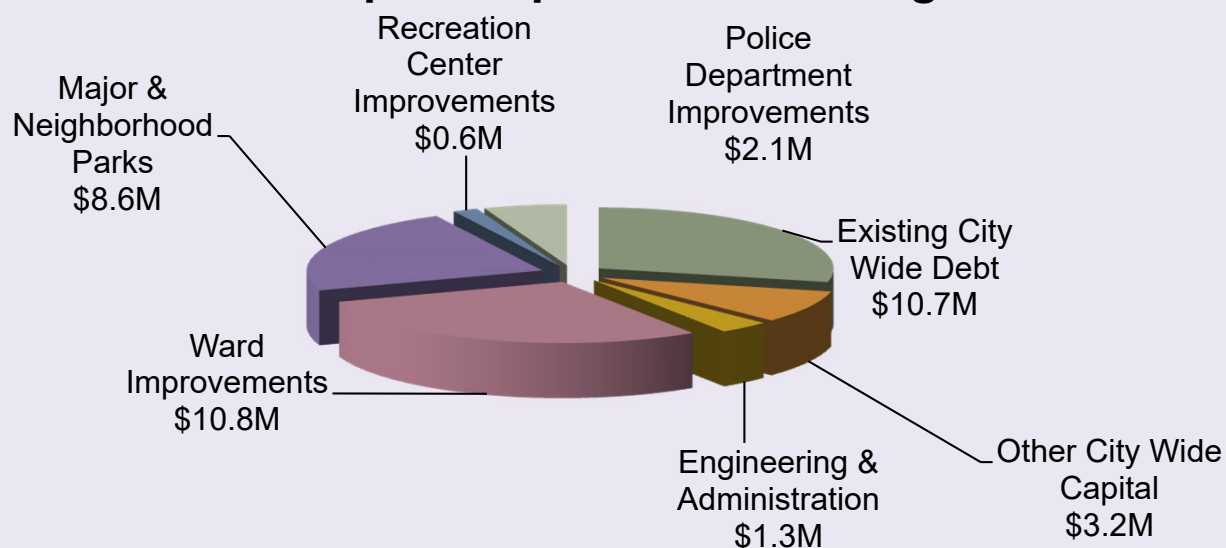
CITY OF ST. LOUIS

FY2023 Proposed Annual Operating Plan

Proposed Capital Fund Budget at \$37.4M is an increase of \$7.3M or 24% over previous fiscal year.

- Includes \$3.3M in excess sales tax revenue from FY22 as sales tax receipts continue to recover
- Includes \$1.5M increase related to gas tax increase allocated to road and bridge capital improvements
- Capital ½ cent sales tax receipts allocated per ordinance

FY2023 Capital Improvements Budget



Total Capital Fund Budget of \$37.4M

CITY OF ST. LOUIS

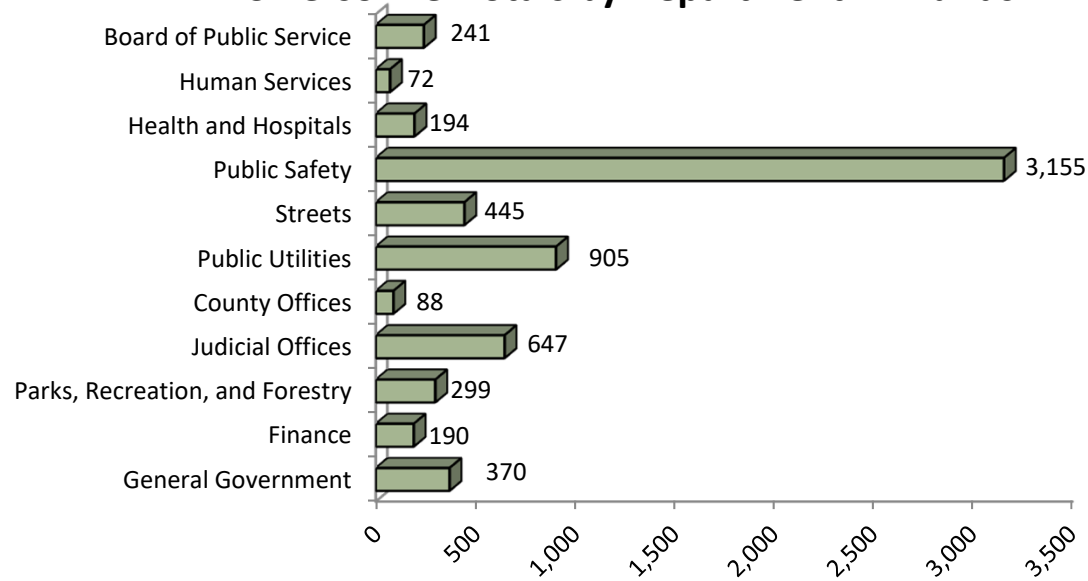
FY2023 Proposed Annual Operating Plan

Total Personnel Changes By Department – All Funds:

Personnel Totals - All Funds

	FY22	FY23	Change
BY FUND			
General Fund	4,819	4,910	91
Special Funds	547	581	34
Grant Funds	230	216	-14
Enterprise Funds	892	897	5
Totals	6,488	6,604	116

FY23 Personnel Totals by Department All Funds



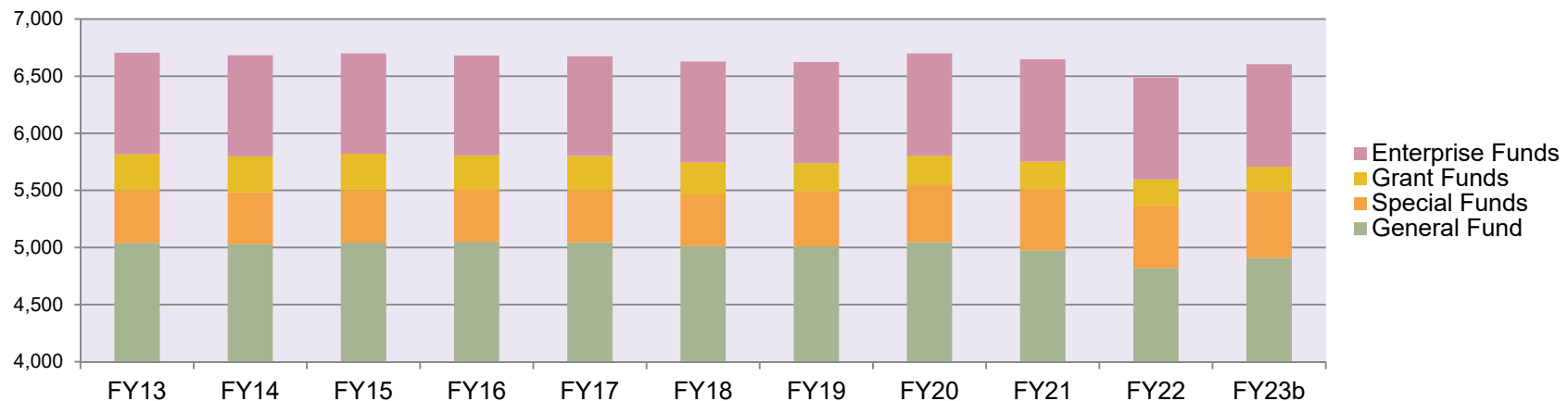
CITY OF ST. LOUIS

FY2023 Proposed Annual Operating Plan

Number of Personnel – Last Ten Fiscal Years vs. FY23p

	FY13	FY14	FY15	FY16	F17	FY18	FY19	FY20	FY21	FY22	FY23p	10Yr CHG
General Fund	5,040	5,028	5,043	5,050	5,045	5,012	5,007	5,047	4,974	4,819	4,910	-130
Special Funds	460	456	459	456	457	452	484	494	535	547	581	121
Grant Funds	317	315	319	301	299	282	247	264	244	230	216	-101
Enterprise Funds	889	884	878	874	873	882	886	895	897	892	897	8
	6,706	6,683	6,699	6,681	6,674	6,628	6,624	6,700	6,650	6,488	6,604	-102

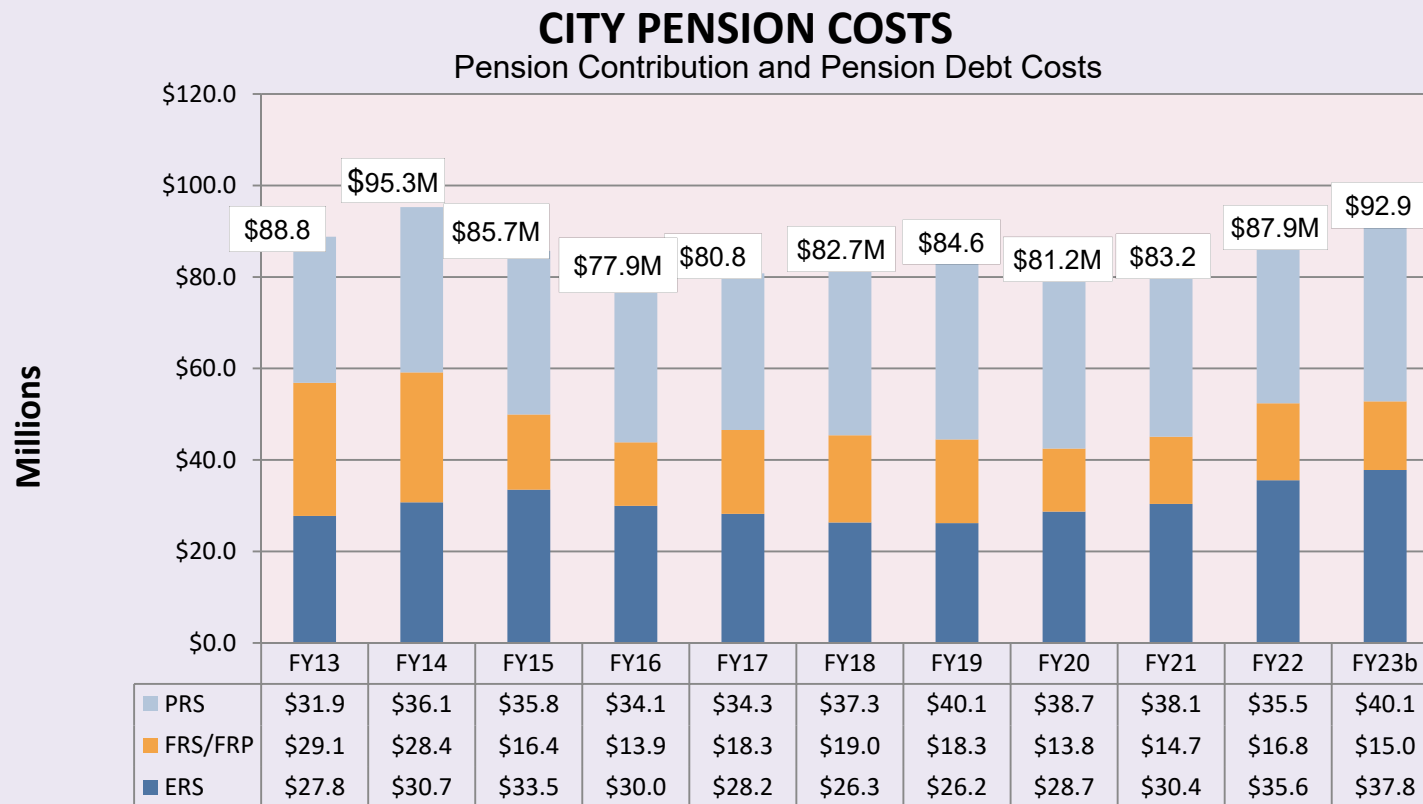
CHANGES IN PERSONNEL TOTALS



CITY OF ST. LOUIS

FY2023 Proposed Annual Operating Plan

Pension costs will rise nearly \$5.0M in FY23



City of St. Louis Budget Division

FY2023 Proposed Annual Operating Plan

Funded ratios reaching 80%+ ; Though with unfunded liabilities at \$498.5M., costs per employee remain high.

Pension Funding Overview

			Employee Retirement	Fire Retirement		Police Retirement
Valuations				FRS	FRP	
(as of 10/1/21)						
Assets - Market Value			\$920.8 M	\$492.6M	\$141.8M	\$931.8 M
Assets - Actuarial Value			\$867.6 M	\$457.0M	\$128.3M	\$870.2 M
Actuarial Accrued Liabilities			\$1,094.7 M	\$480.1M	\$155.8M	\$1,091.0 M
Actuarial Unfunded Liability			\$227.1 M	\$23.1M	\$27.5M	\$220.8 M
Funded Ratio - Actuarial Basis			79.3%	95.2%	82.3%	79.8%
Funded Ratio - Market Basis			84.1%	102.6%	91.0%	85.4%
Pension Costs						
	Total					
Employer Contribution	\$81.4	est.	\$33.9 M	\$2.3M	\$7.9M	\$37.3 M
Debt Service	\$11.2		\$3.9 M	\$4.8M	--	\$2.5 M
Admin. (net reimbursement)	\$0.3		--	--	--	\$0.3 M
Total	\$92.9	M	\$37.8 M	\$7.1 M	\$7.9 M	\$40.1 M
Active Membership					\$15.0 M	
Active			4,339		535	1,143
Active In Drop			403		96	44
Less Non-City			-940		--	--
Less Depts. budgeted separately			-230		--	--
Total Active			3,572	(FRS & FRP)	631	1,187
Projected Pension Costs Per Active Participant						
			\$10,584		\$23,775	\$33,758

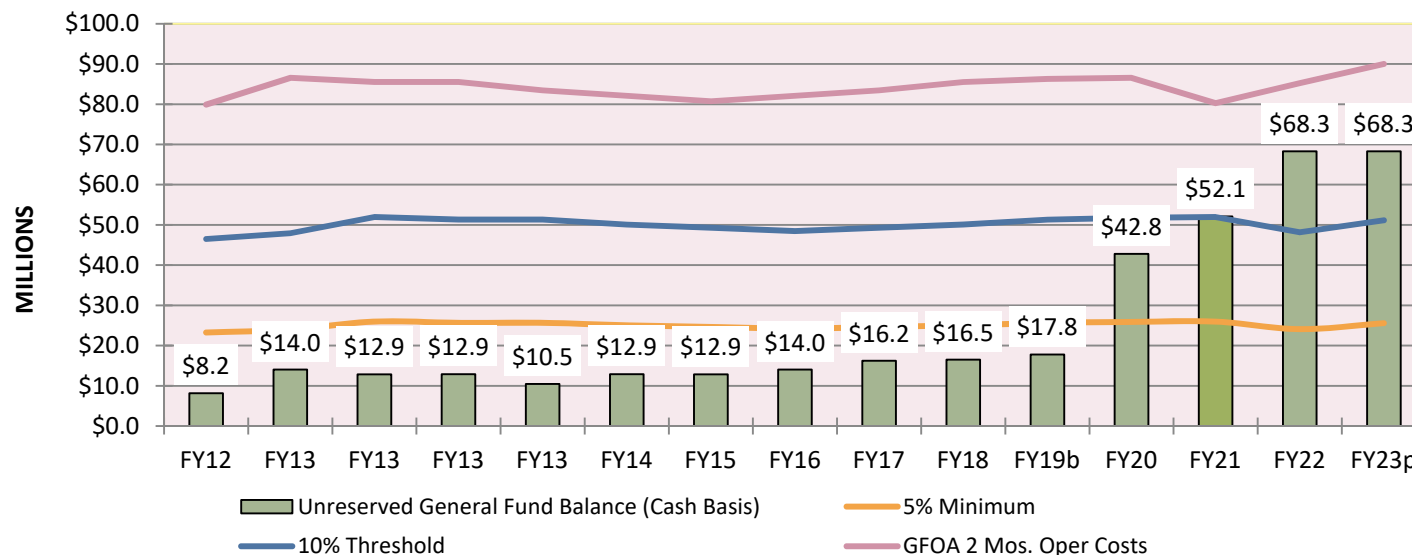
CITY OF ST. LOUIS

FY2023 Proposed Annual Operating Plan

Recent pandemic and earlier recessions underscore importance of maintaining healthy fund balance reserves .

- o Continued progress, reserve level on cash basis stood at \$68.3M or 13.4% of FY22 budget
- o FY22 fiscal year end pending with FYTD projecting positive results
- o Achieved minimum targets; approaching GFOA guidance level (two months of regular general fund operating expenditures i.e. 16.6%)

UNRESERVED GENERAL FUND BALANCES



Derived from Comptroller's Annual Reports -cash basis; FY23p

CITY OF ST. LOUIS

FY2023 Proposed Annual Operating Plan: RECAP

- o Total FY23 Budget (All Funds) of \$1.21B, a 5.2% increase from prior fiscal year
- o General fund at \$539.9M, a 5.6% increase; revenues returning to pre-pandemic levels on nominal terms; restaurants, hotels still recovering
- o Budget highlights include:
 - o \$17.1M (all funds) to address pay and benefit increases;
 - Of this total \$13.9M general fund (\$8.7M in depts. & \$5.2M in city wide acct.) pending completion of a negotiated pay plan
 - o \$4.9M net increase in pension costs
 - o \$2.5M in ITSA contract costs for ERP management and mainframe conversion
 - o \$1.9M projected increase in waste disposal contract in Refuse Division
 - o \$2.1M net increase in Health Dept.; net 22 new pos. & new Behavioral Health unit
 - o \$1.5M in proposed Econ Dev funds to CDA for building stabilization & redevelopment
 - o \$1.2M in Prop P funds for Circuit Attorney integrity unit & witness protection
 - o \$950k increase in Forestry for weed & debris maintenance at LRA properties
 - o \$800k increase in Bd. Of Ald.; ward reduction and 17 new positions by year end
 - o \$600k increase including 9 new positions for Civilian Oversight Board
 - o \$600k increase in Dir. Of Public Safety incl. Victim Services. unit & new safety officer
- o Capital budget @ \$37.4M an increase of \$7.3M; incl. increase in gas tax revenue
- o ARPA funds **neither included nor relied upon for balancing budget**; remain available as backstop should revenues falter